

# 2012 Instructions for Schedule 8812

## Child Tax Credit

Use Part I of Schedule 8812 to document that any child for whom you entered an ITIN on Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c; and for whom you also checked the box in column 4 of that line, is a resident of the United States because the child meets the substantial presence test and is not otherwise treated as a nonresident alien.

Use Parts II–IV of Schedule 8812 to figure the additional child tax credit. The additional child tax credit may give you a refund even if you do not owe any tax.

Section references are to the Internal Revenue Code unless otherwise noted.

## Future Developments

For the latest information about developments related to Schedule 8812 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/form1040](http://www.irs.gov/form1040).

## What's New

Schedule 8812 is new for 2012. Parts II–IV of Schedule 8812 replace Form 8812, Additional Child Tax Credit. Part I of this schedule is independent of Parts II–IV. Depending on your circumstances, you may need to complete Part I, but not Parts II–IV; Parts II–IV, but not Part I; or both Part I and Parts II–IV.

## General Instructions

### Substantial Presence Test (Part I)

In general, to be a qualifying child for purposes of the child tax credit and additional child tax credit, the child must be a citizen, national, or resident of the United States. Use Part I of Schedule 8812 to document that any child for whom an IRS Individual Taxpayer Identification Number (ITIN) was entered on Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c; and for whom the box in column 4 of that line was also checked, meets the substantial presence test and is not otherwise treated as a nonresident alien.

**Note.** A child who is a lawful permanent resident of the United States is eligible to obtain a social security number (SSN). Use an SSN to identify the child even if you obtained an ITIN for the child before the child became a lawful permanent resident.

To meet the substantial presence test, a child identified with an ITIN generally must be physically present in the United States on at least:

1. 31 days during 2012, and
2. 183 days during the 3-year period that includes 2012, 2011, and 2010, counting:

- a. All the days your child was present in 2012, and
- b. 1/3 of the days your child was present in 2011, and
- c. 1/6 of the days your child was present in 2010.



*Not all days that your dependent is physically present in the United States count as days of presence for the substantial presence test. See Days of Presence in the United States in Pub. 519.*

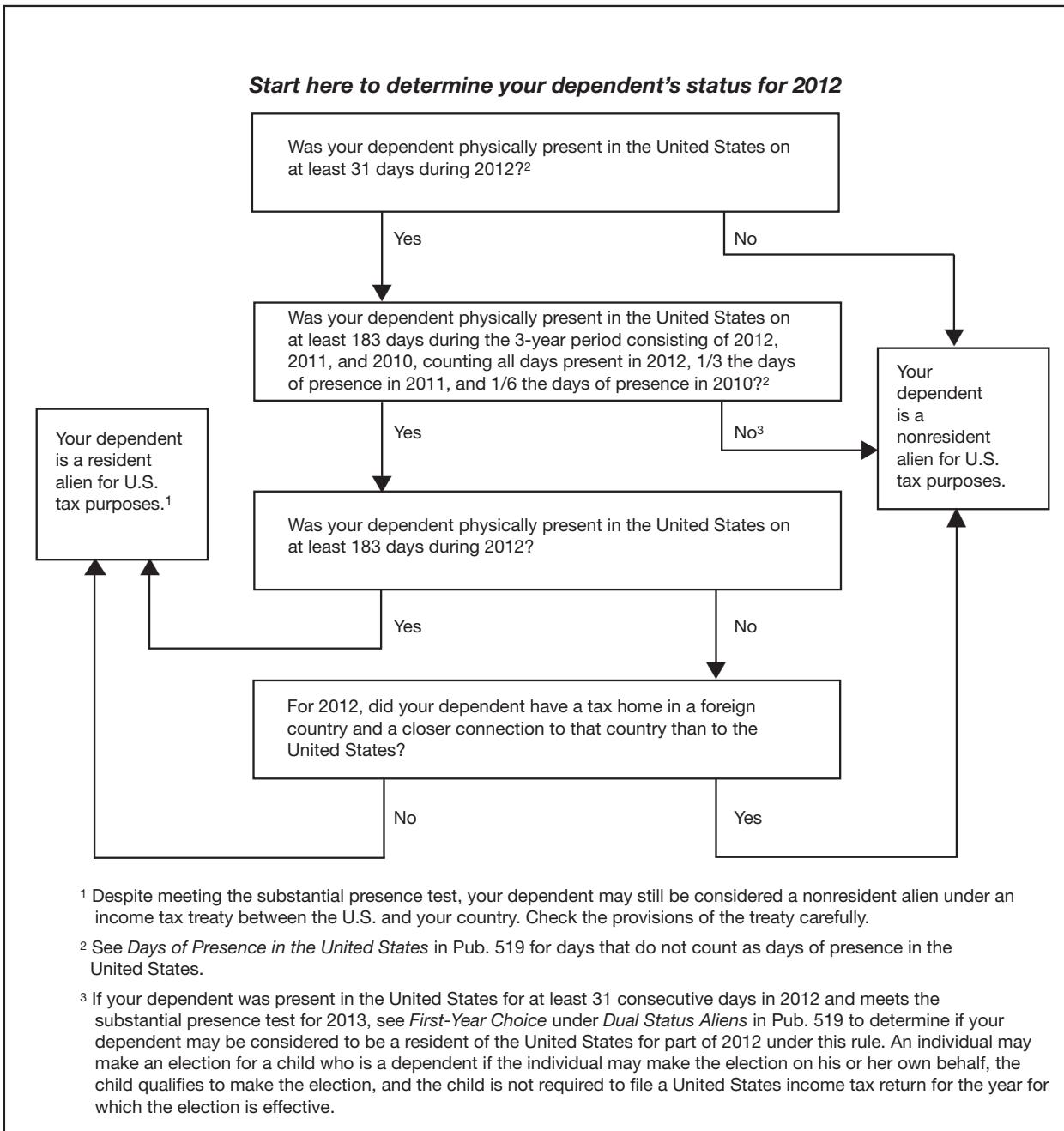
A child who is present in the United States for less than one-half of 2012 also must not have a closer connection to a foreign country. See Pub. 519 for more information. Also, see the chart, *Is Your Dependent (Identified by an ITIN) Considered a Resident of the United States Under the Substantial Presence Test*, later.

### Additional Child Tax Credit (Parts II–IV)

All taxpayers should use Parts II–IV of Schedule 8812 to figure the additional child tax credit. If any of your dependents is a qualifying child for purposes of the child tax credit (whether identified by an ITIN or not), you may qualify for the additional child tax credit. Before completing Parts II–IV of Schedule 8812, complete the Child Tax Credit Worksheet that applies to you. See the instructions for Form 1040, line 51; Form 1040A, line 33; or Form 1040NR, line 48. If you meet the condition given in the TIP at the end of the Child Tax Credit Worksheet, complete Parts II–IV of this schedule to figure the amount of any additional child tax credit you can claim.

### Effect of Credit on Welfare Benefits

Any refund you receive as a result of taking the additional child tax credit may not be counted as income when determining whether you or anyone else is eligible for certain welfare programs. These programs include Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Security Income (SSI), Supplemental Nutrition Assistance Program (food stamps), and low-income housing. Check with your local benefits coordinator to find out if your refund will affect your benefits.



## Specific Instructions

### Part I

**Lines A through D.** If you identified any of your dependents using an ITIN on your Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c; and you also checked the box in column (4) of that line for that dependent, you must determine if that dependent meets the substantial presence test and is not otherwise treated as a nonresident alien. Complete Line A for the first dependent listed on your Form 1040, line 6c; Form 1040A, line 6c; or Form 1040NR, line 7c, who has an ITIN and that you indicated qualified for the child tax credit by checking column (4). Use a separate line for each additional

child identified by an ITIN for whom you checked the box in column (4).

**Do not** complete a line in Part I for a child if:

- You identified that child with an SSN or adoption taxpayer identification number on the tax return, or
- You did not check the box in column 4 of line 6c on your Form 1040 or Form 1040A, or line 7c of your Form 1040NR.

If you only check "No" on any line in Part I, your child tax credit or additional child tax credit may be reduced or eliminated.

**Child otherwise treated as a nonresident alien.** Even if your child meets the substantial presence test, your child may still be trea-

## Earned Income Chart — Line 4a

IF you...	AND you...	THEN enter on line 4a...
have net earnings from self-employment	use either optional method to figure those net earnings,	the amount figured using Pub. 972 (even if you are also taking the EIC).
are taking the EIC on Form 1040, line 64a, or Form 1040A, line 38a	completed Worksheet B of the EIC instructions in your Form 1040 instructions,	your earned income from Worksheet B, line 4b, plus all of your nontaxable combat pay if you did not elect to include it in earned income for the EIC. If you were a member of the clergy, subtract (a) the rental value of a home or the nontaxable portion of an allowance for a home furnished to you (including payments for utilities), and (b) the value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.
	did not complete Worksheet B or filed Form 1040A,	your earned income from Step 5 of the EIC instructions in your tax return instructions, plus all of your nontaxable combat pay if you did not elect to include it in earned income for the EIC.
are not taking the EIC	were self-employed, or you are filing Schedule SE because you were a member of the clergy or you had church employee income, or you are filing Schedule C or C-EZ as a statutory employee,	the amount figured using Pub. 972.
	are not self-employed or filing Schedule SE, C, or C-EZ for the above reasons,	<p>your earned income figured as follows:</p> <p>Line 7 of Form 1040 or Form 1040A, or line 8 of Form 1040NR.</p> <p>Subtract, if included on line 7 (line 8 for Form 1040NR), any:</p> <ul style="list-style-type: none"> <li>• Taxable scholarship or fellowship grant not reported on a Form W-2.</li> <li>• Amount received for work performed while an inmate in a penal institution (put "PRI" and the amount subtracted in the space next to line 7 of Form 1040 or 1040A (line 8 for Form 1040NR)).</li> <li>• Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (put "DFC" and the amount subtracted in the space next to line 7 of Form 1040 or Form 1040A (line 8 for Form 1040NR)). This amount may be shown in box 11 of your Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.</li> <li>• Amount from Form 2555, line 43, or Form 2555-EZ, line 18.</li> </ul> <p>Add all your nontaxable combat pay from Form(s) W-2, box 12, with code Q.</p> <p style="text-align: right;">+ _____</p> <p style="text-align: right;">- _____</p> <p style="text-align: right;"><b>Earned Income =</b> _____</p>

ted as a nonresident alien due to a tax treaty or because the child has a closer connection to another country. See Pub. 519 for more details.

If you must complete Part I for a child and that child meets the substantial presence test, but is still treated as a nonresident alien, check the "No" box for that child.

**Special circumstances.** Even if your child does not meet the substantial presence test, your child may meet an exception or be treated as a resident of the United States in certain circumstances. If your child does not meet the substantial presence test, but one of the following special circumstances applies, check both the "Yes" and "No" boxes for that child.

- First-year election. If your child was present in the United States for at least 31 consecutive days in 2012 and meets the substantial presence test for 2013, your child may be considered a resident of the United States for part of 2012 if you make a valid election. See *First-Year Choice under Dual Status Aliens* in Pub. 519.

- Child adopted by U.S. citizen or national. A child legally adopted by you or lawfully placed with you for legal adoption is not required to meet the substantial presence test if you are a citizen or national of the United States, and, for your tax year, the child has the same main home as you and is a member of your household.

**More than four children.** If you must complete Part I for more than four children, check the box following Line D. Use page 1 of another Schedule 8812 and reletter Lines A–D in Part I as E–H. Complete the additional Part I of Schedule 8812 and attach it to your Schedule 8812.

## Parts II through IV

**Line 4a — Earned Income Chart.** Use the chart above to determine the amount to enter on line 4a.

**Line 4b — Nontaxable Combat Pay.** Enter on line 4b the total amount of nontaxable combat pay that you, and your spouse if filing jointly, received in 2012. This amount should be shown in Form W-2, box 12, with code Q.

**Line 7 — Railroad Employees.** If you worked for a railroad, include the following taxes in the total on Schedule 8812, line 7.

- Tier 1 tax withheld from your pay. This tax should be shown in box 14 of your Form(s) W-2 and identified as "Tier 1 tax."
- If you were an employee representative, 50% of the total tier 1 tax you paid for 2012.